



Learning and Skills Scrutiny Committee

Scrutiny Observations on the Impact Assessment for the Schools Funding Formula and Scheme for Financing Schools – December 2019

The Learning and Skills Scrutiny Committee met on the 29th November 2019 to undertake pre-Cabinet scrutiny of the above report. The Impact Assessment was not available at that meeting and was provided subsequently. This was considered by those Members who had been present at the meeting of the Learning and Skills Scrutiny Committee electronically.

The following observations are made:

- It is disappointing that the Impact Assessment was not available for consideration at the scrutiny meeting when there would have been an opportunity to raise any queries with Officers and Portfolio Holders however, scrutiny welcome the production of the document ahead of Cabinet together with the opportunity to comment on it.
- It is noted that the proposals are reliant on receiving Welsh Government funding to support the additional funding required in the proposed formula.
- The risk that Welsh Government funding may not be forthcoming is acknowledged within the Impact Assessment. The mitigation offered for this risk would necessitate a top-slice from the whole delegated budget. The Impact Assessment also acknowledges that this top-slice would affect primary schools in particular resulting in a risk (designated as high) that some would be unable to balance their budgets
- The proposed mitigation is outlined in two steps. The first step details how the service will work closely with schools to help them manage their budgets. 'Helping schools manage their budgets' is an existing function of the schools service and does not mitigate for failing to provide the additional funding required to pay for the unfunded element of the Schools Funding Formula. Moreover, schools have been working with Challenge Advisors to develop a sustainable model based on known financing. To change the known finances would necessitate remodelling of budgets with consequential impact on pupils. As such, whilst this mitigates the risk to the proposal, it exposes the service to a significant number of other risks that are not quantified and may well be higher than the risk they are expected to mitigate. The Residual Risk for this part of the document should therefore be reconsidered with specific reference to the additional risk to the service the mitigation could create.
- The second step outlines how the only solution to the current situation is a reorganisation of the schools' estate. This acknowledgement that it is necessary to work towards an affordable estate is welcomed. It does not appear that there is insufficient money in the system but rather that the funding available is supporting too many schools with too many surplus places. This is clearly a position that is unsustainable. It is known that this process has started

but until decisions are made and implemented which result in an affordable estate it is not considered appropriate for this to be claimed as actual mitigation and therefore the Residual Risk for this item should also be reconsidered.

In conclusion scrutiny are unconvinced that, in light of this item not being fully funded from additional Welsh Government funding, there are sufficient steps in place both to mitigate the risks to the proposal and the risks that will fall on other parts of the service if the mitigation outlined is moved forward with.